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Attorneys for General Motors Corporation

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:	
	:	<b>Chapter 11 Case No.</b>
	:	
<b>DELPHI CORPORATION, <u>et al.</u>,</b>	:	<b>05-44481 (RDD)</b>
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
	:	
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**RESPONSE OF GENERAL MOTORS CORPORATION TO  
MOTION OF APPALOOSA MANAGEMENT L.P. PURSUANT TO 11 U.S.C.  
§ 1102(a)(2) FOR AN ORDER DIRECTING THE UNITED STATES TRUSTEE  
TO APPOINT AN EQUITY COMMITTEE IN THESE CHAPTER 11 CASES**

TO THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE:

General Motors Corporation (“General Motors”), as and for its response  
(the “Response”) to the motion (the “Motion”) of Appaloosa Management L.P. and

certain of its affiliates (collectively, “Appaloosa”) pursuant to section 1102(a)(2) of title 11 of the United States Code (the “Bankruptcy Code”) for an entry of an order directing the United States Trustee for the Southern District of New York (the “U.S. Trustee”) to appoint an equity committee in the chapter 11 cases of Delphi Corporation (“Delphi”) and its affiliated debtors and debtors in possession (collectively, the “Debtors”), respectfully represents:

**Response**

1. The Motion contains numerous misstatements and inaccurate innuendoes regarding General Motors. None of these claims are supported by any evidence and, as discussed with specificity below, all are cloaked in vague terms like “apparent,” “rumored” and “appears.” General Motors submits this Response neither to oppose nor support the relief requested in the Motion; however, it is compelled to correct Appaloosa’s principal misstatements relating to General Motors’ involvement in these chapter 11 cases to the extent such allegations are relied on to support the Motion.

2. First, Appaloosa claims that General Motors is able to exercise undue influence over Delphi, to the detriment of Delphi’s shareholders. Specifically, Appaloosa states:

[B]ecause GM is also the Debtors’ primary US based customer and self-proclaimed largest creditor, with *apparent* substantial influence over the Debtors’ operations and decision making, a central issue in these cases will be the validity, enforceability and appropriate treatment of GM’s claims, if any, against the Debtors. Simply put, GM has been historically and continues to be in a position of substantial influence to improve its own position to the detriment of shareholders.

Motion ¶ 7 (emphasis added). The facts, however, do not support this naked contention.

Following Delphi’s formation and spin-off from General Motors in 1999, Delphi has

remained a wholly separate and independent corporation with its own management and an autonomous board of directors. General Motors has not held any seats on Delphi's board of directors since General Motors' complete divestiture of Delphi stock in May 1999, and General Motors has had no influence over any employment decisions relating to Delphi's management. Accordingly, all dealings between General Motors and Delphi are and have been on an arm's-length basis, and negotiations between the parties have historically been vigorous and, at times, contentious.

3. Second, Appaloosa claims that General Motors "is publicly *rumored* to have urged Delphi into filing these Cases so that GM would gain leverage over the UAW in its own labor negotiations...." Motion ¶ 26 (emphasis added). General Motors is unaware of the existence or source (other than Appaloosa) of these alleged public rumors. More importantly, there is no substance to any such rumors. At no point did General Motors publicly or privately recommend, advise, advocate, urge or support the filing of Delphi's chapter 11 cases. As noted above, Delphi has its own management and board of directors, which presumably decided to commence the chapter 11 cases for the reasons publicly stated by Delphi (as an independent third party, General Motors has no first-hand knowledge of the deliberations by Delphi's management and board of directors).

4. Finally, Appaloosa claims that "it *appears* that GM is controlling or at least possesses substantial influence over the Debtors' union negotiations..." and that General Motors "alone is in the position to compromise Delphi's equity to improve its own position not only against Delphi, but more importantly, with respect to its own relationship with organized labor." Motion ¶ 34 (emphasis added). Once again,

Appaloosa's statement is unsupported by any facts and is shrouded in a nebulous term (*i.e.*, "it appears"). Contrary to how things may "appear" to Appaloosa, however, General Motors is not controlling and, in fact, *cannot* control Delphi's negotiations with its unions. Delphi's management and its board of directors have a fiduciary duty to negotiate and ultimately approve any agreement with Delphi's unions. Additionally, any such agreement will be subject to Court approval and the attendant scrutiny by all parties in interest. General Motors simply does not have the ability to control the negotiation, entry into or approval of any agreements between Delphi and its unions. Delphi's successful reorganization is, however, important to General Motors in its capacity as a creditor and customer of Delphi. Delphi has publicly stated that renegotiation of collective bargaining agreements with its unions is a key to Delphi's ability to reorganize. See Motion For Order Under 11 U.S.C. Section 1121(d) Extending Debtors' Exclusive Periods Within Which To File And Solicit Acceptances Of Plan Of Reorganization, Dec. 16, 2005 at ¶¶ 19-20 [Docket No. 1549]; see also Delphi Corporation, Current Report (Form 8-K), at 2 (November 28, 2005). To that end, General Motors, through its own connections with the UAW, has attempted to encourage and facilitate ongoing negotiations *between Delphi and the UAW*. While General Motors hopes to help foster negotiations, it does not control the outcome of (or, in fact willingness of Delphi or the UAW to ultimately participate in) any negotiations.

5. General Motors respectfully suggests that to the extent Appaloosa desires the appointment of an "equity committee," it concentrate on meeting its burden of satisfying the need for "adequate representation" through the presentation of accurate and substantiated facts, and not through "rumor and innuendo."

6. Notice of this Response has been provided pursuant to this Court's Order, dated October 14, 2005, establishing notice procedures in these chapter 11 cases. General Motors submits that no other or further notice need be provided.

Dated: January 3, 2006  
New York, New York

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